STATE OF MICHIGAN

DEPARTMENT OF LABOR & ECONOMIC GROWTH

OFFICE OF FINANCIAL AND INSURANCE REGUALTION

Before the Commissioner of Financial and Insurance Regulation

In the matter of

XXXXX
Petitioner **File No. 90334-001**
v

Alliance Health and Life Insurance Company
Respondent
_____/

Issued and entered
this 14th day of August 2008
by Ken Ross
Commissioner

ORDER

I
PROCEDURAL BACKGROUND

On June 11, 2008, XXXXX (Petitioner) filed a request for external review with the Commissioner of Financial and Insurance Regulation under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq*. On June 18, 2008, after a preliminary review of the material submitted, the Commissioner accepted the request.

The issue in this external review can be decided by a contractual analysis. The contract here is the group health insurance policy issued by Alliance Health and Life Insurance Company (AHL) and its applicable riders. The Commissioner reviews contractual issues under MCL 500.1911(7). This matter does not require a medical opinion from an independent review organization.

II
FACTUAL BACKGROUND

The Petitioner has health coverage from AHL under a preferred provider organization (PPO) plan. Beginning in June 2007 the Petitioner obtained treatment from Dr. XXXXX at the

XXXXX Hospital. Dr. XXXXX and XXXXX are not affiliated with the AHL PPO network. AHL covered the Petitioner's care but applied the out-of-network deductible and coinsurance for the services. The Petitioner requested coverage from AHL at the network level. AHL denied the request.

The Petitioner exhausted AHL's internal grievance process and received its final adverse determination letter dated June 3, 2008.

III
ISSUE

Did AHL correctly cover the Petitioner's claims for services from out-of-network providers?

IV
ANALYSIS

Petitioner's Argument

The Petitioner says she was sent to the XXXXX by Dr. XXXXX. She says she did not realize that the AHL PPO directory included out-of-network providers -- if she had, she would not have gone to one. She notes that Dr. XXXXX was listed in AHL's "book" (the online directory) as a "qualified provider." She believes the directory causes confusion and should not have listed Dr. XXXXX's name if he is not in the AHL PPO network.[1]

The Petitioner says that before she saw Dr. XXXXX she saw many physicians in an effort to determine what her problem was. She says Dr. XXXXX discovered and had begun treating her condition when her health insurance changed to AHL. She says that her condition was too unstable for her to change providers.

The Petitioner wants AHL to cover continuing care from Dr. XXXXX at the network level.

[1] The Petitioner contends that Dr. XXXXX is listed in the online directory as a network provider but he is found in the Cigna Network, a special network for urgent, emergent, or away-from-home care, and not in the AHL PPO portion of the directory.

AHL's Argument

AHL denied coverage for Dr. XXXXX and other providers at XXXXX at the in-network level because it requires member to utilize AHL PPO network physicians, hospitals, and other care providers to receive this level of payment and "the XXXXX and their providers are not affiliated with AHL."

AHL, noting that the Petitioner said she was confused by the online directory, said there is no record that she contacted AHL for assistance in finding a provider or getting clarification.

AHL believes its determination of benefits was appropriate.

Commissioner's Review

Although the Petitioner feels she was confused about the network status of Dr. XXXXX on AHL's online directory, it is clear that that he and the other providers at the XXXXX Hospital are not in the AHL PPO network. Therefore, their services are subject to those provisions of the certificate and its riders that govern services from out-of-network level providers.

Riders 153, 160, and 169 amend the Petitioner's health insurance policy. Rider 153 establishes an out-of-network deductible of $250 per individual (not to exceed $500 per family); Rider 160 makes the Petitioner responsible for a 20% coinsurance for out-of-network services; and Rider 169 limits the annual out-of-network out-of-pocket maximum to $2,000 per individual (not to exceed $4,000 per family).

These riders create a higher out-of-pocket expense for services obtained from providers who are not in AHL's PPO network. While it is understandable that the Petitioner would want to continue to see the physician who diagnosed her condition and had been treating her, there are no exceptions in the policy that would require AHL to pay for those services received from out-of-network providers at the network level.

The policy does allow for care to be obtained from an out-of-network provider. However, the policy warns:

> The cost of any services that you choose to receive from Providers other than Alliance contracted providers, will be covered at a reduced benefit level…. Deductibles, coinsurance and Out-of-Pocket Maximums apply in Out-of-Network situations….

In order to receive coverage at the network level, the services must be obtained from PPO network providers. The Commissioner therefore finds that AHL acted correctly in providing coverage for the Petitioner's claims at the non-network level for treatment she received from Dr. XXXXX and XXXXX Hospital.

V
ORDER

Respondent AHL's June 3, 2008 final adverse determination is upheld. AHL is not required to cover the Petitioner's treatment from Dr. XXXXX and the XXXXX at the network level.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this Order may seek judicial review no later than sixty days from the date of this Order in the circuit court for the county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Commissioner of the Office of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.